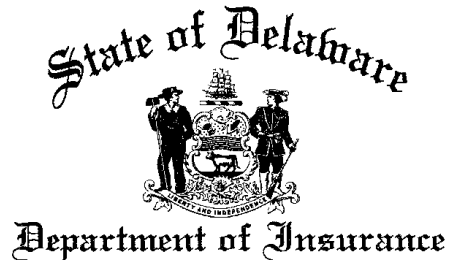


INSURANCE COMMISSIONER



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DOVER, DELAWARE 19904-2465
(302) 739-4251
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Delaware/Home State Checklist
TPA Checklist (Reg. 1406)
Domestic License

1. Written agreement between the TPA (Administrator) and the Insurer.
2. Documentary evidence of a fiduciary account for deposit of charges and premiums collected by the Administrator on behalf of the insurer and return of premiums. (Reg. 1406, 8.1)
3. A copy of the Uniform Application used to apply in Delaware as an Administrator. (Reg. 1406, 12.1), contact the NAIC library.
4. Certified copies of the administrators Articles of Incorporation, Articles of Association, partnership agreement, trade name certificate, trust agreement, shareholder agreement and any other applicable documents and associated amendments. (Reg. 1406, 12.2.1)
5. Administrators by-laws, rules, regulations or similar documents regulation the internal affairs of the applicant. (Reg. 1406, 12.2.2)
6. NAIC biographical affidavits of the Administrator's board of directors, board of trustees, executive committee, or other governing board or committee. It's principal officers or partners or members if a partnership, association or limited liability company and/or any shareholder or member holding directly or indirectly 10% or more of the voting stock, voting securities, or voting interests of the Administrator, and any other person who exercises control or influence over the affairs of the applicant Administrator. (Reg. 1406, 12.2.3)
7. Audited Annual Financial Statements for the two (2) most recent fiscal years, that demonstrate the administrator has positive net worth.

If Administrator has been in existence for less than two (2) years financial statements or reports certified by an officer prepared in accordance with GAAP for any completed fiscal year and any month during the current fiscal year for which such financial statements or reports have been completed. An audited financial statement prepared on a consolidated basis with a columnar consolidating or combining worksheet may be used by the applicant. (Reg. 1406, 12.2.4)

8. A business plan including information on staffing levels and activities prepared in this state and nationwide. The plan should address the applicants proposed staffing

levels for claims processing, record maintenance and underwriting. (Reg. 1406, 12.2.5)

9. If the TPA's State of Incorporation or principal place of business does not have regulations pertaining to Third Party Administrators, the Administrator is required to file as a Delaware domestic.
10. Such other pertinent information as may be required by the Commissioner. (Reg.1406, 12.2.6)
11. If the Administrator's plan pertains to less than 100 lives the Administrator is exempt from Regulation 1406. This Administrator must file an affidavit indicating it represents 100 or less lives. If TPA changes number of lives above 100, they must notify the Department and complete the application for a licensed TPA.
12. Pay the \$500 application and \$100 licensing fee required in Reg. 1406, 17.1

Non-Resident Administrator License

1. Applicant Administrator must file a copy of the Uniform Application, accompanied by a letter of certification or a copy of the non-resident administrator's home state license.

Additionally, the applicant must file an affidavit attested by one of its principal officers that its domestic state's laws and regulations are substantially similar to Delaware's laws and regulations governing Third Party Administrators. (Reg.1406, 14.2)

If the applicant administrator is unable to provide such an affidavit the checklist relevant to domestic administrators shall be used.

2. If the Administrator's plan pertains to less than 100 lives the Administrator is exempt from Regulation 1406. This Administrator must file an affidavit indication it represents 100 or less lives. If TPA changes number of lives above 100, they must notify the Department and compete the application for a licensed TPA.
3. The last two years of Audited Financial Statements of the Applicant Insurer attesting to the solvency of the company applying (positive net equity)
4. Other items as required by the Delaware Insurance Department
5. Pay the \$500 application and \$100 licensing fees required in Reg.1406, 17.1

Administrator of Governmental or Church Self-Insured Plans Checklist

1. In addition to the materials required for the domestic checklist an Administrator applicant that will administer governmental or church self-insured plans shall maintain a surety bond for the use and benefit of the home state commissioner and regulatory authority of any additional state in which the applicant administrator is authorized to conduct business and cover individuals who have remitted premiums or insurance charges or other monies to the Administrator in the course of the Administrators business.

Such surety bond shall be the greater of

1) \$100,000 or

2) 10% of the aggregate total amount of self-funded coverage.

Evidence of such surety bond is required. (Reg.1406, 12.8, 12.8.1 and 12.8.2)

2. If the Administrator's plan pertains to less than 100 lives the Administrator is exempt from Regulation 1406. This Administrator must file an affidavit indication it represents 100 or less lives. If TPA changes number of lives above 100, they must notify the Department and complete the application for a licensed TPA.
3. Pay the \$500 application and \$100 licensing fee pursuant to Reg. 1406, 17.1